

Q 26 Can I pay my balance due by phone if I'm a first time filer or a married filing joint filer?

A If this is the first year that you've filed a return, you cannot pay by phone. Also, spouses who are not listed as the primary filer on the pre-printed mailing label on their Tax Year 1999 individual income tax package or postcard cannot pay by phone. When prompted, married filing joint filers must enter the Social Security Number of the first spouse listed on the mailing label. Note, these limitations do not apply to taxpayers who *e-file* and pay using tax preparation software.

Q 27 Can I make partial payments by credit card?

A The tax preparation software used by your tax preparer may not allow you to make partial payments. If you pay by phone, you can make partial payments but you are limited to a maximum of two payments. However, regardless of how you pay, you are responsible for paying the remaining balance due by April 17, 2000, or you are subject to late payment penalties and interest. If you cannot pay in full by April 17, 2000, you can file Form 9465, *Installment Agreement Request*.

Q 28 How much can I charge by phone?

A The maximum allowable credit card payment amount made by phone is \$99,999. If you want to charge a higher amount, contact Official Payments Corporation (formerly US Audiotex), the pay by phone credit card processor, at 1-877-754-4420, toll free.

Q 29 What will I receive as confirmation of my credit card payment?

A You will be provided a confirmation number at the end of the payment transaction and your credit card statement will provide confirmation of your electronic payment.



Questions and Answers for Taxpayers

Join the
30 million
Americans
who *e-file*

You can:

- file electronically
- get your refund electronically
- pay electronically

IRS *e-file* is a way to file a tax return electronically to the IRS. It is the fastest, most accurate way to file taxes and it gets your refund in half the usual time—even faster with Direct Deposit. If there is a balance due, the payment can be delayed up to April 17, 2000. As an Authorized IRS *e-file* Provider, I can offer you all the benefits of e-filing.

Q 1 What is an Authorized IRS e-file Provider?

A An Authorized IRS *e-file* Provider is a tax professional or firm who is accepted into the IRS electronic filing program. One type of Authorized IRS *e-file* Provider is an electronic return originator (ERO). An ERO is a person or firm that taxpayers entrust with tax information for the purpose of filing income tax returns electronically in the IRS *e-file* program.

Q 2 What do I gain by using IRS e-file?

A Fast refunds! Accuracy! Security! Proof from the IRS within 48 hours that your return was accepted. Your chance of receiving an error notice is reduced. IRS *e-file* is more accurate (less than 1% error rate) than paper. The opportunity to file now and delay payment until April 17, 2000, with direct debit or a credit card. Your Federal and state returns may be filed together. Your tax return is transmitted from our computers to the IRS. Only IRS *e-file* offers these advantages.

Q 3 Do I have a greater chance of getting audited by the IRS if I use IRS e-file?

A No. The chance of an audit of an e-filed return is no greater than a paper return.

Q 4 How do I know that the IRS really has my return?

A The IRS notifies your tax professional that your return information was received within 48 hours of transmission. If the IRS detects any errors, it sends a message to the tax professional indicating the error. The error is corrected and the return is retransmitted to the IRS. Only IRS *e-file* offers this advantage.

Q 5 If my return is electronic, how do I sign it?

A You simply sign the signature document, Form 8453, *U.S. Individual Income Tax Declaration for Electronic Filing*, as proof that you understand and agree with the return information and we take care of the rest.

Q 6 Do I really get my refund faster?

A You get it back in half the usual time. It's even faster if you have your refund deposited directly to your bank account. I can provide you with an estimated date of deposit.

Q 7 Where can I get additional information about IRS e-file?

A Visit the IRS Web site at www.irs.gov, click on "Electronic Services".

Q 8 Can my state tax return be e-filed with my Federal return at the same time?

A Probably yes. All states with income taxes except Hawaii and Vermont have *e-file* programs. Washington DC also offers *e-file*. For additional information, go to the IRS Web site, www.irs.gov/prod/elec_svs/fed_state.html.

Q 9 Why should I want to file my state tax electronically?

A You receive the same benefits filing your state tax return electronically as you do filing your Federal return electronically: faster refunds, accuracy, security, and proof your return was accepted.

Q10 Is there a fee for IRS e-file?

A We will be glad to explain our fees for tax preparation and e-filing. Our fees are not based on any figures from your tax return. The IRS does not charge a fee for e-filing.

Q11 What do I do when I am told my e-filed return rejected because my date of birth on the return didn't match the date of birth in the IRS records?

A Many filers are finding out that their data on file with the IRS is not correct. While this is good because incorrect information is being corrected, it is creating problems for many filers. The date of birth is provided by the Social Security Administration. You can contact the IRS at 1-800-829-1040 to check the current information that is maintained in their files. You can contact the Social Security Administration at 1-800-772-1213 or you can call or visit your local Social Security Office and follow their procedures to correct your information.

Q12 What happens if my return is filed electronically, I am receiving a refund, and I owe taxes from previous years?

A The amount owed on back taxes is automatically deducted from your refund just as if you filed a paper return. If you go to a tax preparer in order to get a Refund Anticipation Loan (RAL), you must tell your tax preparer that you owe back taxes.

Q13 What if I owe a balance due? Why should I want the speed of e-file?

A You can *e-file* and electronically pay now or choose a future payment date. No matter when your return is filed, you don't have to pay what you owe until April 17, 2000. In the meantime, you have fast, electronic proof of acceptance from the IRS.

Q14 How do I pay?

A You can authorize a direct debit from your checking or savings account at the time your electronic Tax Year 1999 individual income tax return is prepared. If you elect to pay by a direct debit, you can specify a payment date and delay payment up to (and including) April 17, 2000. Direct debit payments

cannot be initiated after the return is transmitted. You can also pay by credit card and delay out-of-pocket expenses. Payment by check or money order is acceptable.

Q15 If I choose the direct debit option and delay payment, can I be sure the money won't be withdrawn sooner?

A Yes. Money will not be withdrawn from your account before the date you specify. However, if you designate a weekend or bank holiday, the payment will not be withdrawn until the next business day. On occasion, Treasury may experience a delay and some transactions take a day or two longer to take effect. Therefore, we suggest that all payments be scheduled at least two business days before April 17, 2000.

Q16 What information do I need to make a direct debit payment and how will it be used once my return is transmitted?

A You need to know your bank account number and the routing transit number of your financial institution. Be sure that electronic fund transfers can be authorized from your designated bank account (money management accounts, money market accounts, certificate of deposit accounts and some credit union savings accounts do not allow for such transactions). Check with your financial institution if you have any questions. Your direct debit information is only used for the one tax payment you authorize.

Q17 Can I make partial payments or multiple payments by direct debit?

A The tax preparation software used by your tax preparer may not allow you to make partial payments. If partial payments are allowed, you can make a payment for less than the balance due amount on your return. However, regardless of how you pay, you are responsible for paying the remaining balance due by April 17, 2000, or you will be subject to late payment penalties and interest. If you cannot pay in full by April 17, 2000, you can file Form 9465, *Installment Agreement Request*. An approved Installment Agreement allows you to make a pre-determined series of partial payments after April 17, 2000, which includes interest charges since these payments are considered late. You can only authorize one direct debit payment for your balance due.

Q18 Can I make a direct debit payment after April 17, 2000?

A If you *e-file* your return after April 17, 2000, you can still elect to pay the balance due by direct debit through October 16, 2000. However, your payment will be considered timely only if your electronic return is transmitted on or before April 17, 2000. After this date, your payment date will be determined by the date your return is e-filed and you cannot specify a future payment date.

Q19 What will I receive as confirmation of my direct debit payment?

A Your confirmation is your copy of your electronically filed return that includes the debit authorization and your bank statement with a "United States Treasury Tax Payment" line item.

Q20 What if later I want to cancel or change my designated direct debit payment date?

A Once your IRS *e-file* return is accepted, you cannot change your designated payment date. If you need to change the date, your only option is to cancel the transaction and send a check for the correct amount. You may cancel a payment ONLY if Treasury receives cancellation instructions no later than 8:00 p.m., at least two business days prior to your designated payment date. The cancellation must be authorized by you or by a person with access to your Social Security Number, payment amount and bank account number. Please call 1-888-353-4537, toll free, to cancel the payment.

Q21 How can I pay by credit card and which credit cards are accepted?

A All credit card payments must be made electronically using tax preparation software or by phone. A few tax preparation software packages include a credit card option. If the software used by your tax preparer does not include an option to pay Federal taxes with a credit card, you can pay by phone by calling 888-2PAY-TAXSM (1-888-272-9829), toll free, and using your MasterCard®, the American Express® Card or any Discover® Card brand credit card. When paying by phone, you will be prompted to enter your tax payment amount and credit card information.

Q22 What types of Federal income taxes can I pay by credit card?

A If your payment is made while e-filing your return, you can pay the balance due on your Tax Year 1999 individual income tax return (Form 1040 series). If you pay by phone, you can make Tax Year 1999 Form 1040 series balance due payments, Tax Year 1999 Form 4868 (automatic extension of time to file) payments and Tax Year 2000 Form 1040-ES (estimated tax) payments. If you have a balance due and pay by credit card, this eliminates the need to send in the paper Form 1040-V, Form 1040-ES or Form 4868. Credit card payments for prior tax years or other types of taxes are not accepted at this time.

Q23 When can I make a credit card payment?

A Beginning January 14, 2000 through October 16, 2000, you can make a payment for the balance due on your Tax Year 1999 individual income tax return. Beginning January 14, 2000 through April 17, 2000, you can make a payment for the balance due on your 1999 Form 4868. Beginning March 1, 2000, you can make a payment for the balance due on your 2000 Form 1040-ES.

Q24 Is the IRS storing credit card information?

A No. IRS does not have access to credit card numbers or directly participate in the credit card transactions. The IRS relies on private credit card processors to verify the validity of the card and line of credit. The processors forward the appropriate tax payment information to the IRS.

Q25 Is there a fee charged for using my credit card?

A The company that processes the credit card payments charges a convenience fee. You are informed of all charges and fees before you authorize the payment. This fee is in addition to any charges, such as interest, that may be assessed by your credit card issuer.